



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse
Services**

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Richard J. Visingardi, Ph.D, Director

October 2, 2002

MEMORANDUM

TO: North Carolina Association of County Commissioners
North Carolina Council of Community Programs
Area Program Directors
Area Program Board Chairs
County Managers
County Commission Chairs
Legislative Oversight Committee Members
MH/DD/SAS Commission Chair
Consumer/Family Advisory Committee Chairs
Advocacy Organizations and Groups
Provider Organizations
MH/DD/SAS Professional Organizations and Groups
MH/DD/SAS Stakeholder Organizations and Groups
Other MH/DD/SAS Stakeholders

FROM: Richard J. Visingardi, Ph.D.

**RE: COMMUNICATION BULLETIN #002
Local Business Plan Submission
and LME Certification**

**State Plan 2002
Communication Bulletin**

I would like to begin by thanking the numerous area program staff, board representatives, county commissioners and managers, consumers, advocates, providers and state Division staff who are working so hard to face the challenges of mental health reform implementation. I know that this process is demanding, and I recognize that these efforts will be continuing for months. I do understand that you are all struggling to determine the best methods for community involvement and implementation consistent with the foundations, values, intent, and requirements of State Plan 2002. With the leadership of all of these committed individuals, we will continue to have an environment conducive to critical discussion and resolution of practical issues.



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The purpose of this memo is to clarify the Department's requirements pertaining to the format and submission of local business plans.

BACKGROUND AND REQUIREMENTS

The mental health reform statute, as approved by the General Assembly in 2001, requires that area programs or county programs submit local business plans by 1/2/03. The boards of county commissioners must approve these plans, followed by review and certification by the Secretary of the Department of Health and Human Services (DHHS). There is a schedule for certification of the local programs in three phases, beginning July 1, 2003, and continuing on January 1, 2004, and July 1, 2004. This schedule is contained in the most recent version of the state's business plan (State Plan July 1, 2002), which can be found at the DHHS web site at www.dhhs.state.nc.us/mhplan/.

Previously, the Department stated that all area programs or county programs, were to submit a strategic plan (components by 1/1/03 and 4/1/03), with a full submission of a local business plan approved by the county commissioners board(s), to the Secretary. Then the Secretary would have certified the local business plan no less than six months prior to the effective date of the local management entity. Now that some area programs and counties are well underway in developing their local business plans, their experiences are pointing out the need for some clarification regarding the certification process of the local business plans, the timeline for county commissioner board(s) approval, and the format of the plan itself.

IMMEDIATE ISSUE

The local business planning process is strategic in nature, requiring local committee members to work through many applied practice issues. We know that there are some areas where more direction from the state would be helpful. The phasing in of certification of the local management entities -- July 1, 2003, through July 1, 2004 -- provides the area programs, counties and communities as a whole, time to establish local priorities and to identify their unique challenges, especially time consuming issues such as consolidation. It is not our intent through the State Plan to inhibit communities that are earnestly moving forward, from focusing on State Plan-related efforts that they have identified as most critical to ultimate achievement of LME certification. This does not absolve a community from submitting a comprehensive plan, but rather acknowledges that some of the required plan elements will take longer than others to resolve locally. We do not want to sacrifice quality and informed community decision-making for speed. Even after your initial plan submission, community planning will be ongoing -- involving the county commissioners and county managers, consumers, family members, advocates, providers, public partners and other community stakeholders. The strengthening of durable, long-term community relationships is critical to the success of mental health reform. This Department wants to ensure that nothing in the State Plan prevents this from happening.

CLARIFICATIONS

Clarification has been requested regarding the proposed format for local business plans and for tracking that is more in keeping with a strategic planning process. Additional direction has also been requested regarding the appropriate point in the strategic planning process at which the county commissioner board(s) are to approve the local business plan document and how certification of the local business plan is to be defined.

"Certification" Defined:

In order to be certified as an LME, the local business plan must receive a score of at least 50 on a scale of 1-100, including a score of 10 (which is 100%) on the planning section. All area programs must be certified (initial certification) as an LME according to the scale in the local business plan chapter of the

State Plan 2002 by July 1, 2004. All LMEs must comprehensively fulfill all LME requirements (full certification) by no later than January 1, 2007.

Timeline for LME Certification

All area programs must declare their intended initial certification date -- July 1, 2003, January 1, 2004, **or** July 1, 2004 -- in the April 1, 2003, submission of the local business plan.

Local Business Plan Submission

All area programs must submit a LBP in two components: 1/2/03 and 4/1/03 (refer to State Plan 2002, for the components that are due on those dates).

Approval by Boards of County Commissioners

The local business plan that must be submitted to the state on April 1, 2003, must be approved by the boards of county commissioners in the counties making up the local management entity.

Format of the Local Business Plan

The two format options available for local business plan submissions due on 1/1/03 and 4/1/03 are as follows:

- a. Use the local business plan guidelines included in State Plan 2002; or,
- b. Use the attached Local Business Plan Matrix, with sufficient detail, using the local business plan chapter in State Plan 2002 as a guide.

If using Option (b), Phase I, local management entity applicants should include sufficient information for the Department to evaluate and score their local business plans. If using Option (b), Phase II and III applicants can use the matrix to submit quarterly updates regarding progress toward certification. The quarterly update, which immediately precedes the quarter in which these entities are requesting certification, should include sufficient information for the Department to evaluate and score the local business plan.

Quarterly Updates

The attached LBP matrix provides the format for reporting developments as they occur. These updates will be submitted quarterly, with the first quarterly update due on 7/1/03, and ending when the local management entity comprehensively fulfills all requirements toward certification, no later than January 1, 2007. This will provide a simplified process for monitoring progress from initial application and certification through full certification. All entities, regardless of whether they are in Phase I, II, or III, are required to provide these quarterly updates.

Certification Process

The certification process will occur quarterly as specified below. Types of certification may include *initial certification*, *conditional initial certification* or *non-certification*.

Phase I Local Management Entities: These applicants should request certification through submission of their 4/1/03 local business plans. State review and scoring will be conducted between 4/1/03 and 4/30/03. Between 5/1/03 and 5/31/03, the local management entity applicant and the state will resolve any issues related to certification. By 6/1/03, the state will notify the local management entity of the status of the application for *initial certification*, *conditional initial certification*, or *non-certification*. If either

initial certification or *conditional initial certification* is granted, the applicant would become a Certified Local Management Entity effective 7/1/03.

Phase II Local Management Entities: As identified in their 4/1/03 local business plan submission, these applicants will be considered for certification when they submit their 10/1/03 quarterly updates. State review and scoring will be conducted between 10/1/03 and 10/31/03. Between 11/1/03 and 11/30/03, the applicant and the state will problem-solve issues related to certification. By 12/1/03, the state will issue a notice of *initial certification*, *conditional initial certification*, or *non-certification*. If *initial certification* or *conditional initial certification* is granted, the applicant will become a Certified Local Management Entity effective 1/1/04.

Phase III LMEs: As identified in their 4/1/03 local business plan submissions, these applicants will be considered for certification when they submit their 4/1/04 quarterly updates. State review and scoring will be conducted between 4/1/04 and 4/30/04. Between 5/1/04 and 5/31/04, the applicant and the state will problem-solve issues related to certification. By 6/1/04, the state will issue a notice of *initial certification*, *conditional initial certification*, or *non-certification*. If *initial certification* or *conditional initial certification* is granted, the applicant will become a Certified Local Management Entity effective 7/1/04.

OTHER RELATED CONDITIONS

This correspondence is not intended to modify the expectations of either the mental health reform statute or State Plan 2002. However, it does provide practical modifications for submission of local business plans, and for certifications necessary under the statute. We are not suggesting that you change any part of the local business plan documents that you may have already completed. We are simply offering a more strategic process by which you can closely examine areas of the local business plan that need more time to resolve.

Questions regarding this correspondence should be directed to Dick Oliver at 919-715-7922 (phone), or Dick.Oliver@ncmail.net (e-mail).

Thank you.

RJV

cc: Secretary Carmen Hooker-Odom
Deputy Secretary Lanier Cansler
Assistant Secretary of Health James Bernstein
DMH/DD/SAS Staff

Local Business Plan: Strategic Plan Matrix

Area Program(s)/County Program	
Contact	
Submission Date	

Item:

Goal:

Effective Date:

Steps Taken	Steps Planned	Barriers

Reviewers Comments:

KEY:

Area Program(s) or County Program: Name of the program. If multiple programs, list each area program.

Contact: Name, Phone Number, Fax Number, and E-mail Address of a single person who will serve as the area program(s) contact person for the Plan.

Submission Date: Date the plan was submitted to the Division.

Item: Derived from HB 381 (SL 2001-437) 122C-115.2 (b) (1) (a-h), and as related to the "Local Business Plan" (LBP) for Local Management Entity (LME) certification guidelines, included as part of State Plan 2002.

Identify the section of the Local Business Plan --Planning; Governance, Management and Administration; Provider Network Development; Service Management; Access, Service Monitoring and Oversight; Quality Management, Evaluation, Financial Management and Accountability, Information Systems and Data Management and/or Collaboration.

Goal: Statement of the planned outcome necessary for LME certification.

Effective Date: Date the goal will be achieved. This is the target date on which you plan to have the required elements of a particular section (item) of the Local Business Plan satisfied. All effective dates should be by no later than June 30, 2004.

Steps Taken: List of the planned efforts and actions that have taken place prior to the submission (or effective) date of the plan.

Steps Planned: List (and timelines) of the planned efforts and actions that will be pursued subsequent to the completion date of the plan.

Barriers: Identification of obstacles and critical challenges that need to be addressed. The information should include proposed methods and/or recommendations for addressing the barriers. Barriers include both local and state issues. State issues include the identification of particular statutes or rules, as well as practices, and/or direction, technical assistance, consultation, and/or deliverables needed.

Reviewers Comments: Qualitative comments from state reviewer(s). Comments are intended to provide direction for best ensuring that the area will ultimately meet LME certification requirements.

Attachments: Reference on the matrix additional attached supporting materials as needed.